202

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Middle East PPS 171

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S/P:JF

June 3, 1952

Discussion 6/4 Staff Meeting Docket Mary Rokker DIY Hus JF PN RT

BRITAIN'S POSITION IN THE WORLD AND ITS IMPLICATIONS FOR OUR MIDDLE EAST POLICY

I. Extent and Nature of British Interests

A. The Commonwealth and Empire

A large share of the vast interests acquired during four hundred years of British enterprise is now incorporated in the British Commonwealth and Empire.

1. The old Dominions are in effect independent countries tied together and to the U.K. by consent as a result of history, sentiment and steadily lessening economic benefits.

2. India and Pakistan have taken their places in the Commonwealth alongside the old dominions. British interests there are now in the form of general economic and political relations for the maintenance of which Britain must increasingly compete with others.

3. Hong Kong, a crown colony, has been a profitable banking, shipping and transhipment center. Its economic value has declined but is by no means gone, and, beyond its economic importance, it is a symbol of great importance to the British.

4. Malaya is still under British control and is a prime earner for the sterling system. The loss of Malaya's tin and rubber and the naval base at Singapore would be a severe blow to Britain from every point of view.

5. On the continent of Africa, also, the British have retained in the Empire large areas with a considerable future potential. British power and influence are probably safe in the African colonial areas for some period of time.

B. Other Interests

Outside the Commonwealth and Empire, Britain has other large interests which she retains with increasing difficulty.

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1. In Southeast Asia there is a large market for sterling goods, but Japanese competition there will grow and lead to future difficulties.

2. For a century, Britain has had large commercial interests in China. These, she has recently abandoned as being impossible to maintain under present conditions.

3. Britain has a very large stake in general financial and commercial transactions in Europe and the Western Hemisphere, but these do not involve special privileges and positions.

4. The other area of major special British interest is the Middle East, and oil is the most obvious, though by no means the only, manifestation of that interest.

II. The Extent and Nature of British Responsibilities and Commitments

A. In the Commonwealth and Empire

1. British ground forces are deployed in Malaya, where they are engaged in hostilities with communist-led guerrillas. Hostilities on the present scale are likely to continue, and, of course, the military problem could be radically altered by a deterioration elsewhere in Southeast Asia.

2. The British have some forces in Hong Kong, but the colony probably could not be held by the British in the event of a Chinese Communist attack, even with U.S. naval and air support.

3. The security of New Zealand and Australia is now assured by U.S. commitments.

4. The U.K. could provide no more than token forces for the defense of India and Pakistan. In point of fact, they themselves must.

5. Small

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5. Small British ground forces are stationed elsewhere in the Empire, but their utility is probably limited to situations of local disorder. In addition, British naval and very limited air forces are stationed in the Far East.

6. In the U.K. there are almost no ground forces now, and the principal defense capabilities are limited to naval and air strength.

B. Outside the Commonwealth and Empire

1. The British have ground forces of 5,000 men in Trieste, and a similar number in Austria. In Germany the British have two divisions, whose status as occupation forces has just ended. These forces on the Continent comprise the British contribution to NATO ground strength.

2. British naval units in the North Sea and some air outside the U.K. are also a British contribution to the NATO defense arrangements.

3. The British have small forces engaged in Korea and would attempt to make some contribution to collective action in Indochina if that became necessary.

4. In the Middle East, the British have the only effective forces outside of Turkey, but these ground forces, 10,000 are inadequate for a forward strategy in that area, and might be unable to hold even the Suez Canal against a Soviet attack by land and air. The British have some naval forces assigned to protect the lines of communication to the Eastern Mediterranean, but these forces would probably have to be supported by the naval and air forces under Admiral Carney's command to be fully effective.

III. The Origin

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III. The Origin of British Interests and Responsibilities

A. British Power in the Past

Naval power permitted the British to extend their influence and control from the British Isles, and, in the power balances that existed until the nineteenth century, the naval power of the British only needed to be supplemented by fairly modest ground forces to be effective in holding areas of interest against local rebelliousness and in providing protection against attack from the outside.

B. British Power in the Twentieth Century

British naval strength, although it declined in relative terms, remained a substantial force against Japan, a sea power, and Germany, which possessed substantial sea power and was partially vulnerable to the application of sea power by those it fought. The Soviet orbit, with the exception of China, is nearly invulnerable to sea power and possesses very great capabilities of other kinds for action against British areas of interest. As the need for land forces increased and the process of change in the colonial areas accelerated, the limitations on Britain's capabilities became more apparent. The dominions did not supply the strength Britain lacked, and the protection of the Commonwealth and Empire and other areas of British interest against attack from the outside has become increasingly beyond the reach of the U.K. The inability to give such protection hastened the process of change in such areas as the Middle East, and the British forces available to maintain internal order therefore have become increasingly inadequate also.

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IV. The Middle East

A. The Defense of the Area

The area of greatest weakness on the Soviet periphery stretches from Iran to the Suez Canal. The Arab States and Israel have negligible forces compared to those of the Soviet Union which could be introduced into the area, and the British Commonwealth and Empire do not have in prospect forces adequate for a forward defense strategy in the Middle East.

1. The defense of the Middle East is primarily a British responsibility. The U.S. can not now furnish any forces for the defense of the area nor enter into any commitments to defend the area (outside of Turkey) against aggression.

2. In the event of an attack on the Middle East, Turkey would, in all probability, be involved. Turkey is geographically, strategically, and militarily a part of the Middle East.

3. The very fact of our NATO commitment to Turkey means that we are directly concerned with the defense of the Middle East.

4. The forces presently available for the defense of the Middle East consist, first, of the Turkish army of half a million men and, second, of some 70,000 British forces now in Egypt, together with such support as the British can muster from Iraq, Jordan, and Israel, as well as from Australia, New Zealand, and the Union of South Africa.

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5. Since we cannot now contribute forces for the defense of the Middle East, it is certainly in our interest to consider what can be done to assist in strengthening Turkish and Commonwealth forces, as well as the possibilities of securing added local military capabilities in the area from Egypt to Pakistan. We also should encourage close coordination in the relationships between all of the available defense forces, particularly with respect to the problems of planning. The key to such coordination lies in the relationships between the Turks and the British and it is in our interest to encourage such cooperation. Adherence to the policy that the defense of the Middle East is primarily a British responsibility calls for something more than lip service; it requires us to support and assist the British in developing the ability to carry out that responsibility.

B. The Maintenance of Western Interests in the Area

Political developments in the Arab States have led to greatly intensified anti-Western sentiment, and the creation of sufficient Western strength to defend the area, even if it were possible of development, would not reverse this trend. Although it would certainly modulate it.

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1. The relatiohships between the States of the Middle East and the Western Powers have already altered so much that contractual arrangements cannct be maintained for very long unchanged.

2. The Free World provides profitable and logical markets for Middle East oil and a source of development funds and "know-how" which the Middle East needs. Therefore economic arrangements should be possible that would provide the continuing availability of oil to the West and continuing commerce with the West, but the possibility of involvement in the domestic economies of the area will diminish.

The alterations in present economic arrangements in the Middle East will result in at least the temporary loss of income to Western nations and very difficult adjustments for individual companies. In the long run, the economic development of the area and the improvement in relations between it and the

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West that could come from the removal of the most obvious targets of the xenophobes would probably permit the Western nations to increase the profitability of trade with the Middle East beyond the present levels.

4. The long-term developments in the Middle East are far from predictable and the short-range disadvantages the British will suffer as a result of the alterations in present arrangements are all too certain. It is, therefore, in our interest to use our influence in such a way that the shift is not too precipitous and the availability of Middle Eastern oil is not interrupted or permanently impaired. It will not be possible, however much we engage our prestige and provide our support, to protect British and other Western interests in the area against all change. To try to do so would be to squander our influence and reduce our capacity to affect developments there.

5. The possibility of mitigating the immediate effects of changes in present British economic arrangements in the Middle East and replacing present sources of income for the British with others in the longer term, is made extremely difficult by the general deterioration in Britain's competitive position in world trade and finance. This difficulty raises the problem of the stability of the sterling area, the obsolescence of British industry and the rigidity of the British economy caused by the demands of a "welfare state".

~~C. The Middle East Command as an Effective Instrument~~

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C. The Middle East Command as an Effective Instrument

The concept of a Middle East Command was developed in response to a number of felt needs:

1. The responsibility of the British in the area justified a degree of recognition in formal arrangements. In addition, the distribution of the NATO commands increased the political pressure in the U.K. for the designation of a Britisher as a Supreme Allied Commander, and the area of the Eastern Mediterranean and the Middle East provided a logical area for British command.

2. Turkey was firm in its insistence that it be admitted to NATO, but the Turks declared their willingness as a member of NATO to join with the Three Western Powers in Middle East defense arrangements.

3. It was hoped that the willingness of Turkey, France, and the United States to participate in a Middle East Command would make it possible to internationalize the Suez Canal bases and bring about a solution of the Anglo-Egyptian dispute.

4. It was hoped that the other Arab States, although they might hesitate to participate fully in the Command, might through a liaison organization be brought into an association with it and thereby give us an opportunity to provide a better political climate in the area and improve the prospects for defense planning.

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Because of the variety of objectives for which the Middle East Command concept was devised, the resulting proposals have a number of curious aspects:

1. While it is proposed to establish a command, there will be, in fact, nothing much for any one to command, at least initially.

2. The organization will be a military one, but the liaison organization through which we would hope to work with the States of the area is aimed largely at an improvement in the political climate.

3. The idea of a British Middle East Commander will make it very difficult in the near term to bring Iran into the arrangements, and yet the defense of the Middle East intimately involves the problem of Iran. A British Commander will probably complicate the problem in other areas as well, but close American association with and support for the organization, particularly if we can assist in strengthening the forces available for Middle East defense, should help to make a British commander acceptable.

The principal question that arises is whether the Middle East Command can reasonably be expected to help us achieve both our political and military objectives in the Middle East.

1. The political difficulties cannot be overcome unless there is some assurance of protection against outside aggression.

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2. The military defense of the area will be prejudiced by the extent to which it is sought amidst hostility and suspicion.

3. Since the strength to defend the area is not in prospect and the political situation has not been improved, it is difficult to see how organizational arrangements are likely to lead to early success in achieving our objectives.

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